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May 30, 2008

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To: Supervisor Yvonne B. Burke, Chair
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Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

Governor Holds Stakeholder Meetings on Health Care Reform

On May 28, 2008, the Governor's office held a meeting with health care provider stakeholders to discuss the next steps for health care reform. Herb Schultz, Senior Health Policy Advisor to the Governor, who was hired by the Administration in 2006 to work on health care reform, facilitated the meeting. While the Governor has indicated that he remains committed to comprehensive health care reform, a phased-in approach is now being proposed.

Phase One would occur in 2008 and would address the following issues: 1) cost containment, such as requiring health plans to spend 85 percent of premiums on health care and requiring an automated data entry system to generate a prescriptions (e-prescribing) by 2012; 2) prevention, such as requiring health plans to offer healthy incentives and rewards, and decreasing hospital acquired infections; and 3) consumer protections, such as prohibiting health plans from rescinding coverage and creating standards for discount health plans. Phase Two would occur in 2009 and 2010, and would address coverage expansion and financing. Elements of Phase Two may require a special election in 2009 or could potentially be addressed as part of an election in 2010.

Administration staff advised stakeholders that they consider AB X1 1 (Nuñez) to be the "framework" which would be built upon during Phase One. Staff indicated that they are preparing draft legislation which should be presented to the legislative leaders by the end of June. The California State Association of Counties (CSAC) indicates that it appears unlikely that the Legislature will focus on health care reform until the FY 2008-09 State Budget is complete.

Pursuit of County Position on Legislation

AB 2754 (Bass), as amended on May 23, 2008, would amend the Government Code and Labor Code to add methicillin-resistant *Staphylococcus aureus* (MRSA) skin infection as an additional condition that is presumed to be work-related when it is contracted by defined public safety employees.

Existing law provides workers' compensation benefits for employees injured on the job, including special "presumptions" for defined public safety officers. In general, presumptions define certain conditions that are work related, subject to an employer's opportunity to refute the presumption.

AB 2754 would amend the Labor Code to add MRSA skin infection to other existing conditions that provide for a presumption of compensability for blood-borne infectious diseases for defined public safety employees. The bill also would amend the Government Code to add MRSA skin infection to other conditions that provide for a presumption that the contraction of a blood-borne infectious disease by defined safety employees is work-related for purposes of disability retirement. The presumption would extend for a period of 90 days after the public safety employee has terminated employment.

CAO Risk Management indicates that the County has received reports of MRSA skin infections from County public safety employees. As many of the reported cases relate to employment in the jails, the relationship to employment is generally determined and the employee is eligible to the appropriate benefits.

Consistent with your Board's opposition to AB 166 (Bass) and County policy to oppose legislation that expands existing or creates new presumptions related to injury, illnesses, diseases or physical conditions that can be claimed as job-related for workers' compensation or disability retirement purposes, our **Sacramento advocates will oppose AB 2754**. AB 2754 passed the Assembly Floor on May 28, 2007 by a vote of 73 to 0, and now proceeds to the Senate.

AB 2754 is supported by the Association for Los Angeles Deputy Sheriffs, California Peace Officers Association, California Police Chiefs Association, California Professional Firefighters, Los Angeles County Probation Officers Union, and several other public

safety employee organizations. Opposition for AB 2754 includes the California Coalition on Workers' Compensation, California Special Districts Association, California State Association of Counties, League of California Cities, Regional Council of Rural Counties, and several other local government agency associations.

AB 3028 (Salas), as amended on April 22, 2008, would authorize the Office of Statewide Planning and Development (OSHPD) to use information technology in its review and approval of hospital construction and alteration plans whenever possible and appropriate, including plans to meet SB 1953 seismic safety requirements. It also would establish permanent walk-in counters to allow design staff to obtain a plan review on a walk-in basis, rather than requiring an advance appointment.

Existing law grants OSHPD approval authority over the construction of health care facilities. SB 1953 (Alquist), the hospital seismic safety law passed by the Legislature in 1994 after the Northridge earthquake, requires every hospital building to comply with two deadlines. By January 1, 2008 (or no later than January 1, 2013, if an extension has been granted) every hospital building must meet specific construction standards established to keep those structures standing after a major earthquake. By January 1, 2030, the law requires all hospital buildings to comply with standards intended to keep those buildings operational following a severe earthquake. An April 2001 survey by OSHPD found that approximately 40 percent of the State's 2,700 hospital buildings must either be retrofitted or rebuilt to meet these construction standards. Those buildings that don't meet this requirement must be closed to patient care.

A 2003 California Performance Review report indicated that OSHPD has a large number of hospital retrofitting and rebuilding projects in their building approval program which have experienced significant delays. The report expressed concerns about OSHPD's ability to meet the current demands of an increased workload due to the State's seismic requirements.

According to OSHPD, AB 3028 would implement procedures for electronic submittal and review of hospital construction and alteration plans, reducing response and processing time. OSHPD indicates that for small to medium sized construction projects, electronic review could reduce processing time by 20 percent. Similarly, the over-the-counter review of plans on a walk-in basis, instead of requiring an advance appointment, would reduce plan approval timelines by 30 to 60 days.

The California Hospital Association (CHA) indicates that a single day delay in the hospital construction process can add thousands of dollars to the cost of a large hospital project. CHA asserts that AB 3028 would maintain quality hospital construction while reducing time and costs.

The Department of Health Services (DHS) notes that AB 3028 would enable OSHPD to review and approve hospital construction and alteration plans in a more expeditious manner, resulting in significant time and cost savings for the County. DHS and this office support AB 3028. Consistent with existing policy to support measures which would assist hospitals to meet the SB 1953 seismic safety requirements, **our Sacramento advocates will support AB 3028.**

AB 3028 is sponsored by OSHPD and supported by CHA. There is no registered opposition. AB 3028 passed the Assembly Appropriations Committee on May 23, 2008 by a vote of 17 to 0, and is now awaiting consideration on the Assembly Floor.

Status of County-Sponsored Legislation

County-sponsored AB 2058 (Levine, Davis and Brownley), as amended on May 23, 2008, relating to plastic carryout bags, passed the Assembly Floor on May 28, 2008 by a vote of 44 to 33, and now proceeds to the Senate. Specifically this bill would: 1) prohibit a store from providing plastic carryout bags to customers unless it can demonstrate to the California Integrated Waste Management Board (CIWMB) a 70 percent reduction of the plastic bags it dispensed in 2007 by December 31, 2010; 2) require a store that does not meet the 70 percent diversion rate to charge a 25-cent per bag fee on plastic and paper bags effective July 1, 2011; 3) allow stores to retain revenues derived from the plastic and paper bag fees and require the fees to be used to implement plastic carryout bag recycling, cleanup, and waste reduction programs; 4) delete existing law which prohibits local governments from imposing a plastic carryout bag fee on stores; 5) remove the sunset clause in existing law related to the existing at-store recycling program; and 6) provide funding for CIWMB administrative oversight.

Status of County Advocacy Legislation

County-opposed AB 2262 (Torrico), as amended on May 23, 2008, which would expand the scope of age for a safe surrender from 72 hours to up to seven days, passed the Assembly on May 28, 2008 by a vote of 69 to 7, and now proceeds to the Senate.

County-opposed AB 2640 (Huffman), as amended on May 23, 2008, which would require the California Integrated Waste Management Board to develop and implement programs that ensure that the amount of green waste currently deposited in landfills in the State annually is 50 percent or less of the amount of green waste disposed or otherwise deposited in landfills during the 2008 calendar year, passed the Assembly Floor on May 28, 2008 by a vote of 42 to 34, and now proceeds to the Senate.

County-supported AB 2695 (Niello), as amended on April 22, 2008, which would provide solid waste local enforcement agencies with the authority to inspect illegal dumping activities, establish an illegal dumping grant and loan program within the California Integrated Waste Management Board (CIWMB) and define the term illegal dumping and require the CIWMB to establish a model refuse hauler permitting system for local governments, passed the Assembly Floor on May 28, 2008 by a vote of 79 to 0, and now proceeds to the Senate.

County-opposed SB 1060 (Ridley-Thomas), as amended on May 27, 2008, which would terminate the Los Angeles Memorial Coliseum Commission and create a new State-controlled agency to assume control and management of Exposition Park, including the Los Angeles Memorial Coliseum and Sports Arena, and require the sale of the Sports Arena, passed the Senate Floor on May 29, 2008 by a vote of 22 to 13, and now proceeds to the Assembly.

County-opposed SB 1165 (Kuehl), as amended on May 15, 2008, which would revise the procedures for preparing and commenting on a draft Environmental Impact Report (EIR), negative declaration, or mitigated negative declaration, and clarify that the draft document must be prepared directly, or under contract to, the lead agency, and revise the procedures for preparing a subsequent or supplemental EIR under the California Environmental Quality Act, failed passage on the Senate Floor on May 29, 2008 by a vote of 17 to 18.

We will continue to keep you advised.

WTF:GK:MAL
DD:IGA:mp

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants